

111TH CONGRESS  
1ST SESSION

# H. R. 1835

To amend the Internal Revenue Code of 1986 to encourage alternative energy investments and job creation.

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## IN THE HOUSE OF REPRESENTATIVES

APRIL 1, 2009

Mr. BOREN (for himself, Mr. LARSON of Connecticut, Mr. SULLIVAN, Mr. ABERCROMBIE, Mr. BISHOP of Georgia, Mr. BURGESS, Mr. CONAWAY, Mr. KAGEN, Mr. MCMAHON, Ms. MARKEY of Colorado, Mr. MILLER of Florida, Mr. MINNICK, Mr. TEAGUE, and Mr. THOMPSON of California) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committees on Oversight and Government Reform and Science and Technology, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To amend the Internal Revenue Code of 1986 to encourage alternative energy investments and job creation.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE, ETC.**

4 (a) SHORT TITLE.—This Act may be cited as the  
5 “New Alternative Transportation to Give Americans Solu-  
6 tions Act of 2009”.

1 (b) AMENDMENT OF 1986 CODE.—Except as other-  
 2 wise expressly provided, whenever in this Act an amend-  
 3 ment or repeal is expressed in terms of an amendment  
 4 to, or repeal of, a section or other provision, the reference  
 5 shall be considered to be made to a section or other provi-  
 6 sion of the Internal Revenue Code of 1986.

7 (c) TABLE OF CONTENTS.—The table of contents for  
 8 this Act is as follows:

Sec. 1. Short title, etc.

TITLE I—PROMOTE THE PURCHASE AND USE OF NGVS WITH AN  
 EMPHASIS ON HEAVY DUTY VEHICLES AND FLEET VEHICLES

Sec. 101. Modification of alternative fuel credit.

Sec. 102. Extension and modification of alternative fuel vehicle credit.

Sec. 103. Allowance of vehicle and infrastructure credits against regular and  
 minimum tax and transferability of credits.

Sec. 104. Modification of credit for purchase of vehicles fueled by natural gas  
 or liquified natural gas.

Sec. 105. Modification of definition of new qualified alternative fuel motor vehi-  
 cle.

TITLE II—PROMOTE PRODUCTION OF NGVS BY ORIGINAL  
 EQUIPMENT MANUFACTURERS

Sec. 201. Credit for producing vehicles fueled by natural gas or liquified nat-  
 ural gas.

TITLE III—TO INCENTIVIZE THE INSTALLATION OF NATURAL  
 GAS FUEL PUMPS AT SERVICE STATIONS AND DEPOTS AND  
 DOMESTIC LNG PRODUCTION FACILITIES FOR SMALL ENERGY  
 PRODUCERS

Sec. 301. Extension and modification of alternative fuel vehicle refueling prop-  
 erty credit.

Sec. 302. Increase in credit for certain alternative fuel vehicle refueling prop-  
 erties.

TITLE IV—NATURAL GAS VEHICLES

Sec. 401. Natural gas vehicles in Federal fleet.

Sec. 402. Grants for natural gas vehicles research and development.

1 **TITLE I—PROMOTE THE PUR-**  
2 **CHASE AND USE OF NGVS**  
3 **WITH AN EMPHASIS ON**  
4 **HEAVY DUTY VEHICLES AND**  
5 **FLEET VEHICLES**

6 **SEC. 101. MODIFICATION OF ALTERNATIVE FUEL CREDIT.**

7 (a) ALTERNATIVE FUEL CREDIT.—Paragraph (5) of  
8 section 6426(d) (relating to alternative fuel credit) is  
9 amended by inserting “, and December 31, 2027, in the  
10 case of any sale or use involving compressed or liquefied  
11 natural gas)” after “hydrogen”.

12 (b) ALTERNATIVE FUEL MIXTURE CREDIT.—Para-  
13 graph (3) of section 6426(d) is amended by inserting “,  
14 and December 31, 2027, in the case of any sale or use  
15 involving compressed or liquefied natural gas)” after “hy-  
16 drogen”.

17 (c) PAYMENTS RELATING TO ALTERNATIVE FUEL OR  
18 ALTERNATIVE FUEL MIXTURES.—Paragraph (6) of sec-  
19 tion 6427(e) is amended—

20 (1) in subparagraph (C)—

21 (A) by striking “subparagraph (D)” in  
22 subparagraph (C) and inserting “subpara-  
23 graphs (D) and (E)”, and

24 (B) by striking “and” at the end thereof,

1           (2) by striking the period at the end of sub-  
2 paragraph (D) and inserting “, and”,

3           (3) by inserting at the end the following: “or  
4 with respect to compressed or liquefied natural gas”  
5 after “subparagraph (D)”.

6           “(E) any alternative fuel or alternative fuel  
7 mixture (as so defined) involving compressed or  
8 liquefied natural gas.”.

9           (d) **EFFECTIVE DATE.**—The amendments made by  
10 this section shall apply to fuel sold or used after the date  
11 of the enactment of this Act.

12 **SEC. 102. EXTENSION AND MODIFICATION OF ALTER-**  
13 **NATIVE FUEL VEHICLE CREDIT.**

14           (a) **IN GENERAL.**—Paragraph (4) of section 30B(k)  
15 (relating to termination) is amended by inserting “(De-  
16 cember 31, 2027, in the case of a vehicle powered by com-  
17 pressed or liquefied natural gas)” before the period at the  
18 end.

19           (b) **EFFECTIVE DATE.**—The amendment made by  
20 subsection (a) shall apply to property placed in service  
21 after the date of the enactment of this Act.

1 **SEC. 103. ALLOWANCE OF VEHICLE AND INFRASTRUCTURE**  
2 **CREDITS AGAINST REGULAR AND MINIMUM**  
3 **TAX AND TRANSFERABILITY OF CREDITS.**

4 (a) BUSINESS CREDITS.—Subparagraph (B) of sec-  
5 tion 38(c)(4) is amended by striking “and” at the end of  
6 clause (vii), by striking the period at the end of clause  
7 (viii) and inserting “, and”, and by inserting after clause  
8 (viii) the following new clauses:

9 “(ix) the portion of the credit deter-  
10 mined under section 30B which is attrib-  
11 utable to the application of subsection  
12 (e)(3) thereof with respect to qualified al-  
13 ternative fuel motor vehicles which are ca-  
14 pable of being powered by compressed or  
15 liquefied natural gas, and

16 “(x) the portion of the credit deter-  
17 mined under section 30C which is attrib-  
18 utable to the application of subsection (b)  
19 thereof with respect to refueling property  
20 which is used to store and or dispense  
21 compressed or liquefied natural gas.”.

22 (b) PERSONAL CREDITS.—

23 (1) NEW QUALIFIED ALTERNATIVE FUEL  
24 MOTOR VEHICLES.—Subsection (g) of section 30B is  
25 amended by adding at the end the following new  
26 paragraph:

1           “(3) SPECIAL RULE RELATING TO CERTAIN  
2           NEW QUALIFIED ALTERNATIVE FUEL MOTOR VEHI-  
3           CLES.—In the case of the portion of the credit deter-  
4           mined under subsection (a) which is attributable to  
5           the application of subsection (e)(3) with respect to  
6           qualified alternative fuel motor vehicles which are  
7           capable of being powered by compressed or liquefied  
8           natural gas—

9                   “(A) paragraph (2) shall (after the appli-  
10                  cation of paragraph (1)) be applied separately  
11                  with respect to such portion, and

12                   “(B) in lieu of the limitation determined  
13                  under paragraph (2), such limitation shall not  
14                  exceed the excess (if any) of—

15                           “(i) the sum of the regular tax liabil-  
16                           ity (as defined in section 26(b)) plus the  
17                           tentative minimum tax for the taxable  
18                           year, reduced by

19                                   “(ii) the sum of the credits allowable  
20                                   under subpart A and sections 27 and 30.”.

21           (2) ALTERNATIVE FUEL VEHICLE REFUELING  
22           PROPERTIES.—Subsection (d) of section 30C is  
23           amended by adding at the end the following new  
24           paragraph:

1           “(3) SPECIAL RULE RELATING TO CERTAIN AL-  
2           TERNATIVE FUEL VEHICLE REFUELING PROP-  
3           ERTIES.—In the case of the portion of the credit de-  
4           termined under subsection (a) with respect to refuel-  
5           ing property which is used to store and or dispense  
6           compressed or liquefied natural gas and which is at-  
7           tributable to the application of subsection (b)—

8                   “(A) paragraph (2) shall (after the appli-  
9                   cation of paragraph (1)) be applied separately  
10                  with respect to such portion, and

11                  “(B) in lieu of the limitation determined  
12                  under paragraph (2), such limitation shall not  
13                  exceed the excess (if any) of—

14                          “(i) the sum of the regular tax liabil-  
15                          ity (as defined in section 26(b)) plus the  
16                          tentative minimum tax for the taxable  
17                          year, reduced by

18                          “(ii) the sum of the credits allowable  
19                          under subpart A and sections 27, 30, and  
20                          the portion of the credit determined under  
21                          section 30B which is attributable to the  
22                          application of subsection (e)(3) thereof.”.

23           (c) CREDITS MAY BE TRANSFERRED.—

1           (1) VEHICLE CREDITS.—Subsection (h) of sec-  
2           tion 30B is amended by adding at the end the fol-  
3           lowing new paragraph:

4           “(11) TRANSFERABILITY OF CREDIT.—Nothing  
5           in any law or rule of law shall be construed to limit  
6           a taxpayer from transferring, through sale and re-  
7           purchase agreement, the credit allowed by this sec-  
8           tion for qualified alternative fuel motor vehicles  
9           which are capable of being powered by compressed  
10          or liquefied natural gas.”.

11          (2) INFRASTRUCTURE CREDIT.—Subsection (e)  
12          of section 30C is amended by adding at the end the  
13          following new paragraph:

14          “(6) CREDIT MAY BE TRANSFERRED.—Nothing  
15          in any law or rule of law shall be construed to limit  
16          a taxpayer from transferring the credit allowed by  
17          this section through sale and repurchase agree-  
18          ments.”.

19          (d) EFFECTIVE DATE.—The amendments made by  
20          this section shall apply with respect to property placed in  
21          service after the date of the enactment of this Act.

1 **SEC. 104. MODIFICATION OF CREDIT FOR PURCHASE OF**  
2 **VEHICLES FUELED BY NATURAL GAS OR**  
3 **LIQUIFIED NATURAL GAS.**

4 (a) INCREASE IN CREDIT.—Paragraph (2) of section  
5 30B(e) (relating to applicable percentage) is amended to  
6 read as follows:

7 “(2) APPLICABLE PERCENTAGE.—For purposes  
8 of paragraph (1), the applicable percentage with re-  
9 spect to any new qualified alternative fuel motor ve-  
10 hicle is—

11 “(A) except as provided in subparagraphs  
12 (B) and (C)—

13 “(i) 50 percent, plus

14 “(ii) 30 percent, if such vehicle—

15 “(I) has received a certificate of  
16 conformity under the Clean Air Act  
17 and meets or exceeds the most strin-  
18 gent standard available for certifi-  
19 cation under the Clean Air Act for  
20 that make and model year vehicle  
21 (other than a zero emission standard),  
22 or

23 “(II) has received an order certi-  
24 fying the vehicle as meeting the same  
25 requirements as vehicles which may be  
26 sold or leased in California and meets

1 or exceeds the most stringent stand-  
2 ard available for certification under  
3 the State laws of California (enacted  
4 in accordance with a waiver granted  
5 under section 209(b) of the Clean Air  
6 Act) for that make and model year ve-  
7 hicle (other than a zero emission  
8 standard)

9 “(B) 80 percent, in the case of vehicles  
10 that are only capable of operating on com-  
11 pressed natural gas or liquefied natural gas, or  
12 mix-fuel vehicles which are capable of operating  
13 on compressed or liquefied natural gas, and

14 “(C) 50 percent, in the case of vehicles de-  
15 scribed subsection (e)(4)(A)(i)(II).

16 For purposes of the preceding sentence, in the case  
17 of any new qualified alternative fuel motor vehicle  
18 which weighs more than 14,000 pounds gross vehicle  
19 weight rating, the most stringent standard available  
20 shall be such standard available for certification on  
21 the date of the enactment of the Energy Tax Incen-  
22 tives Act of 2005.”.

23 (b) HIGHER INCREMENTAL COST LIMITS FOR NAT-  
24 URAL GAS VEHICLES.—Subsection (e) of section 30B (re-  
25 lating to new qualified alternative motor vehicle credit) is

1 amended by adding at the end the following new para-  
2 graph:

3 “(6) HIGHER INCREMENTAL COST LIMITS FOR  
4 NATURAL GAS VEHICLES.—In the case of alternative  
5 fueled motor vehicles with respect to vehicles pow-  
6 ered by compressed or liquefied natural gas, para-  
7 graph (3) shall be applied—

8 “(A) in subparagraph (A) by substituting  
9 ‘\$12,500’ for ‘\$5,000’,

10 “(B) in subparagraph (B) by substituting  
11 ‘\$20,000’ for ‘\$10,000’,

12 “(C) in subparagraph (C) by substituting  
13 ‘\$50,000’ for ‘\$25,000’, and

14 “(D) in subparagraph (D) by substituting  
15 ‘\$80,000’ for ‘\$40,000’.”.

16 (c) EFFECTIVE DATE.—The amendment made by  
17 this section shall apply to property placed in service after  
18 the date of the enactment of this Act.

19 **SEC. 105. MODIFICATION OF DEFINITION OF NEW QUALI-**  
20 **FIED ALTERNATIVE FUEL MOTOR VEHICLE.**

21 (a) IN GENERAL.—Clause (i) of section 30B(e)(4)(A)  
22 (relating to definition of new qualified alternative fuel  
23 motor vehicle) is amended to read as follows:

24 “(i) which—

1                   “(I) is only capable of operating  
2                   on an alternative fuel, or

3                   “(II) is capable of operating on  
4                   compressed or liquefied natural gas  
5                   and (but not in combination with)  
6                   gasoline or diesel fuel, but in no case  
7                   shall such vehicle have an operating  
8                   range of less than 200 miles on com-  
9                   pressed or liquefied natural gas.”.

10           (b) CONVERSIONS AND REPOWERS.—Paragraph (4)  
11 of section 30B(e) is amended by adding at the end the  
12 following new subparagraph:

13                   “(C) CONVERSIONS AND REPOWERS.—

14                   “(i) IN GENERAL.—The term ‘new  
15                   qualified alternative fuel vehicle’ includes  
16                   the conversion or repower of a new or used  
17                   vehicle so that it is capable of operating on  
18                   a qualified alternative fuel as it was not  
19                   previously capable of operating on an alter-  
20                   native fuel.

21                   “(ii) TREATMENT AS NEW.—A vehicle  
22                   which has been converted to operate on al-  
23                   ternative fuel shall be treated as new on  
24                   the date of such conversion for purposes of  
25                   this section.

1                   “(iii) RULE OF CONSTRUCTION.—In  
 2                   the case of a used vehicle which is con-  
 3                   verted or repowered, nothing in this section  
 4                   shall be construed to require that the  
 5                   motor vehicle be acquired in the year the  
 6                   credit is claimed under this section with re-  
 7                   spect to such vehicle.”.

8           (c) EFFECTIVE DATE.—The amendments made by  
 9 this section shall apply to property placed in service after  
 10 the date of the enactment of this Act.

11 **TITLE II—PROMOTE PRODUCTION OF NGVS BY ORIGINAL**  
 12 **EQUIPMENT MANUFACTURERS**

15 **SEC. 201. CREDIT FOR PRODUCING VEHICLES FUELED BY**  
 16 **NATURAL GAS OR LIQUIFIED NATURAL GAS.**

17           (a) IN GENERAL.—Subpart D of part IV of sub-  
 18 chapter A of chapter 1 (relating to business-related cred-  
 19 its) is amended by inserting after section 45Q the fol-  
 20 lowing new section:

21 **“SEC. 45R. PRODUCTION OF VEHICLES FUELED BY NAT-**  
 22 **URAL GAS OR LIQUIFIED NATURAL GAS.**

23           “(a) IN GENERAL.—For purposes of section 38, in  
 24 the case of a taxpayer who is a manufacturer of natural  
 25 gas vehicles, the natural gas vehicle credit determined

1 under this section for any taxable year with respect to  
2 each eligible natural gas vehicle produced by the taxpayer  
3 during such year is an amount equal to the lesser of—

4           “(1) 10 percent of the manufacturer’s basis in  
5           such vehicle, or

6           “(2) \$4,000.

7           “(b) AGGREGATE CREDIT ALLOWED.—The aggre-  
8 gate amount of credit allowed under subsection (a) with  
9 respect to a taxpayer for any taxable year shall not exceed  
10 \$200,000,000 reduced by the amount of the credit allowed  
11 under subsection (a) to the taxpayer (or any predecessor)  
12 for all prior taxable years.

13           “(c) DEFINITIONS.—For purposes of this section—

14           “(1) ELIGIBLE NATURAL GAS VEHICLE.—The  
15 term ‘eligible natural gas vehicle’ means any motor  
16 vehicle (as defined in section 30(c)(2))—

17                   “(A) which—

18                           “(i) is only capable of operating on  
19                           natural gas or liquefied natural gas, or

20                           “(ii) is capable of operating on com-  
21                           pressed or liquefied natural gas and (but  
22                           not in combination with) gasoline or diesel  
23                           fuel, but in no case shall such vehicle have  
24                           an operating range of less than 200 miles

1                   on compressed or liquefied natural gas,  
2                   and

3                   “(B) the final assembly of which is in the  
4                   United States.

5                   “(2) MANUFACTURER.—The term ‘manufac-  
6                   turer’ has the meaning given such term in regula-  
7                   tions prescribed by the Administrator of the Envi-  
8                   ronmental Protection Agency for purposes of the ad-  
9                   ministration of title II of the Clean Air Act (42  
10                  U.S.C. 7521 et seq.).

11                  “(d) SPECIAL RULES.—For purposes of this sec-  
12                  tion—

13                   “(1) IN GENERAL.—Rules similar to the rules  
14                   of subsections (c), (d), and (e) of section 52 shall  
15                   apply.

16                   “(2) CONTROLLED GROUPS.—

17                   “(A) IN GENERAL.—All persons treated as  
18                   a single employer under subsection (a) or (b) of  
19                   section 52 or subsection (m) or (o) of section  
20                   414 shall be treated as a single producer.

21                   “(B) INCLUSION OF FOREIGN CORPORA-  
22                   TIONS.—For purposes of subparagraph (A), in  
23                   applying subsections (a) and (b) of section 52  
24                   to this section, section 1563 shall be applied  
25                   without regard to subsection (b)(2)(C) thereof.



1 **TITLE III—TO INCENTIVIZE THE**  
2 **INSTALLATION OF NATURAL**  
3 **GAS FUEL PUMPS AT SERVICE**  
4 **STATIONS AND DEPOTS AND**  
5 **DOMESTIC LNG PRODUCTION**  
6 **FACILITIES FOR SMALL EN-**  
7 **ERGY PRODUCERS**

8 **SEC. 301. EXTENSION AND MODIFICATION OF ALTER-**  
9 **NATIVE FUEL VEHICLE REFUELING PROP-**  
10 **ERTY CREDIT.**

11 (a) IN GENERAL.—Subsection (g) of section 30C is  
12 amended by striking “and” at the end of paragraph (1),  
13 by redesignating paragraph (2) as paragraph (3), and by  
14 inserting after paragraph (1) the following new paragraph:

15 “(2) in the case of property relating to com-  
16 pressed or liquefied natural gas, after December 31,  
17 2027.”.

18 (b) EFFECTIVE DATE.—The amendments made by  
19 subsection (a) shall apply to property placed in service  
20 after the date of the enactment of this Act.

21 **SEC. 302. INCREASE IN CREDIT FOR CERTAIN ALTER-**  
22 **NATIVE FUEL VEHICLE REFUELING PROP-**  
23 **ERTIES.**

24 (a) IN GENERAL.—Subsection (b) of section 30C is  
25 amended to read as follows:

1       “(b) LIMITATION.—The credit allowed under sub-  
 2 section (a) with respect to all qualified alternative fuel ve-  
 3 hicle refueling property placed in service by the taxpayer  
 4 during the taxable year at a location shall not exceed—

5               “(1) except as provided in paragraph (2),  
 6       \$30,000 in the case of a property of a character  
 7       subject to an allowance for depreciation,

8               “(2) in the case of a compressed natural gas,  
 9       or liquefied natural gas, the lesser of—

10                       “(A) 50 percent of such cost, or

11                       “(B) \$100,000, and

12                       “(3) \$2,000 in any other case.”.

13       (b) EFFECTIVE DATE.—The amendments made by  
 14 subsection (a) shall apply to property placed in service  
 15 after the date of the enactment of this Act.

## 16                       **TITLE IV—NATURAL GAS** 17                                       **VEHICLES**

### 18       **SEC. 401. NATURAL GAS VEHICLES IN FEDERAL FLEET.**

19       Not later than December 31, 2014, and thereafter,  
 20 at least 50 percent of all new vehicles purchased or placed  
 21 into service by the United States Government shall be ve-  
 22 hicles that are capable of operating on compressed or liq-  
 23 uefied natural gas.

1 **SEC. 402. GRANTS FOR NATURAL GAS VEHICLES RESEARCH**  
2 **AND DEVELOPMENT.**

3 (a) **IN GENERAL.**—The Secretary of Energy may  
4 make grants to original equipment manufacturers of light  
5 duty and heavy duty natural gas vehicles for the develop-  
6 ment of engines that reduce emissions, improve perform-  
7 ance and efficiency, and lower cost.

8 (b) **LIMITATION.**—The aggregate amount of grants  
9 under subsection (a) for any fiscal year shall not exceed  
10 \$30,000,000.

○